

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

April 20, 2017

GI-2017-04-LGS37-01C, 05, & 06

Mr. Robert Russell, VP-Field Operations (rrussell@lodistorage.com)
Lodi Gas Storage, LLC.
P.O. Box 230
Acampo, CA 95220

Subject: General Order (G.O.) 112 Inspection of Lodi Gas Storage, LLC

Dear Mr. Russell:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Joel Tran, James Zhang, and Dmitriy Lysak conducted a General Order 112 inspection of Lodi Gas Storage (LGS) from April 3-7, 2017. The inspection included a review of LGS' operation and maintenance records for the years 2014 through 2016, LGS' Public Awareness Program, Drug & Alcohol Program, Operator Qualification records, and a field inspection of a representative sample of LGS' facilities.

SED's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by LGS to address the observations noted in the Summary.

If you have any questions, please contact Joel Tran at (415) 515-3442 or by email at joel.tran@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Summary of Inspection Findings

cc: Gregory Clark, LGS (gclark@lodistorage.com)
Dennis Lee, SED (dennis.lee@cpuc.ca.gov)
Terence Eng, SED (terence.eng@cpuc.ca.gov)

SUMMARY OF INSPECTION FINDINGS

I. Potential Violations

1. General Order 112-F Section 143.1 states:

“A gas leakage survey of transmission pipelines, using leak detecting equipment must be conducted at least twice each year and at intervals not exceeding 7 ½ months.”

During SED’s review of LGS’ procedures, SED noted that Leakage Survey Procedure 5.02 stated:
“Leakage surveys of a transmission line, including Type B gathering lines, must be conducted at intervals not exceeding 15 months, but at least once each calendar year...”

Although records indicate LGS is currently conducting quarterly leak surveys, LGS’ procedures are not in compliance with GO 112-F.

II. Areas of Concern

1. During SED’s review of LGS’ Drug & Alcohol Program, SED noted that LGS’ Drug & Alcohol Program referenced Research and Special Programs Administration (RSPA) as the regulating government agency. RSPA was abolished on November 30, 2004. The appropriate agency is the Pipeline Hazardous Materials Safety Administration (PHMSA).

During the inspection, LGS provided an updated Drug & Alcohol program, revised on April 3, 2017. This new plan correctly references PHMSA.